ZENN MOTOR COMPANY INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

   ZENN Motor Company Inc.
   85 Scarsdale Road, Suite 100
   Toronto, Ontario M3B 2R2

2. Date(s) of Material Change(s)

   March 22, 2011

3. News Release

   Press release attached as Schedule A hereto was released through the facilities of the Marketwire disclosure network on March 23, 2011.

4. Summary of Material Change

   ZENN Motor Company Inc. (the "Company") announced that, as contemplated in the Company's press release dated March 10, 2011, Brian Cott, Stephen Rodgers and John R. Wallace have resigned as directors of the Company and James Kofman, Allan Gregg and Roger Hammock have been appointed as directors to fill the vacancies created by the resignations.

   The Company also announced that it has reimbursed Mr. Ian Clifford, a director of the Company, for certain fees and expenses incurred by Mr. Clifford in connection with the discussions and arrangements resulting in the changes to the board of directors.

5. Full Description of the Material Changes

   See press release attached as Schedule A hereto.

   The Company has reimbursed Mr. Ian Clifford, a director of the Company, $325,000 for professional and advisory fees and expenses incurred by him in connection with discussions and arrangements with the Company and its board of directors regarding the composition of the board of directors. These discussions and arrangements culminated in the resignations of three incumbent directors, who were re-elected at the Company's annual and special meeting held on March 22, 2011 and resigned shortly after the Meeting's conclusion, and the appointment of three new directors to the board in their place. Of the total of $325,000 of fees and expenses reimbursed, $250,000 was satisfied in cash and $75,000 was satisfied by the issuance to Mr. Clifford of 45,150 common shares at a deemed price of $1.6611 per share.

The Company and its board of directors determined that it was in the best interests of the Company to resolve the discussions regarding the composition of its board of directors amicably and without a costly and acrimonious proxy contest and it was a condition to the resolution of these discussions and arrangements that a portion of Mr. Clifford's fees and expenses be reimbursed by the Company.

An independent committee of the board of directors of the Company was not constituted in connection with the board's consideration of the matter as the board believed that Mr. Clifford's conflict of interest could adequately be addressed by recusing him from deliberations and discussions concerning the matter. Mr. Clifford did not participate in any board deliberations or discussions in connection with the matter.

According to insider reports filed by Mr. Clifford and the records of the Company, prior to the share issuance, he owned or controlled 2,148,311 common shares of the Company, or approximately 5.8% of the number of shares issued and outstanding, and stock options to acquire a further 350,000 common shares. Following the issuance of the 45,150 common shares of the Company to Mr. Clifford, he now owns or controls 2,193,461 common shares, or approximately 5.9% of the issued and outstanding shares, and stock options to acquire a further 350,000 common shares.

The arrangements regarding the reimbursement of certain of Mr. Clifford's fee and expenses were not concluded in sufficient time to permit this material change report to be filed at least 21 days in advance to implementation.

6. Reliance on Confidentiality Provisions of Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

The following executive officer of ZENN Motor Company Inc. may be contacted for additional information:

Larry Goldberg
Chief Financial Officer
ZENN Motor Company Inc.
85 Scarsdale Road, Suite 100
Toronto, Ontario M3B 2R2

Tel: (416) 535-8395
Fax: (416) 535-4043

9. Date of Report

April 1, 2011

SCHEDULE A

ZENN Motor Company Inc.
Toronto, Ontario, Canada
(TSX-V: ZNN)

ZENN MOTOR COMPANY ANNOUNCES CHANGES TO THE COMPOSITION OF ITS BOARD OF DIRECTORS SUBSEQUENT TO THE AGM

Toronto, Ontario – March 23, 2011 - ZENN Motor Company Inc. ("ZMC" or the "Company") (TSX-V: ZNN) today announced that, as contemplated in the Company's press release dated March 10, 2011, following the annual and special meeting of shareholders of the Company held yesterday, Brian Cott, Stephen Rodgers and John R. Wallace have resigned from the Board of Directors of the Company and the Board has appointed James Kofman, Allan Gregg and Roger Hammock to fill the vacancies on the board following such resignations. The Board of Directors of the Company is now comprised of Richard McGraw (Chairman), Stewart Somers, Ian Clifford (Vice Chairman), James Kofman (Lead Director), Allan Gregg and Roger Hammock. Mr. Cott will continue to be the President and CEO of the Company.

The changes to the Board were made as a result of previously announced discussions and arrangements with certain shareholders of the Company. Further, the Company reported that it has reimbursed Ian Clifford (a director of the Company) in the amount of $325,000 for certain professional and advisory fees incurred by him in connection with such discussions and arrangements, a portion of which was satisfied by the issuance of 45,150 common shares of the Company at a deemed price of $1.6611 per share. Such shares are subject to a four month hold period pursuant to the policies of the TSX Venture Exchange. The arrangements regarding the reimbursement of certain of Mr. Clifford's fees and expenses were not concluded in sufficient time to permit disclosure at least 21 days in advance to implementation.

The Company also reported that, consistent with past practice and subject to regulatory approval, it has granted options to acquire an aggregate of 350,000 common shares to James Kofman, Allan Gregg and Roger Hammock under the Company's stock option plan. The options are exercisable for a period of five years from the date of grant to purchase common shares at a price of $1.99 per share and vest as to one-third each year over the first three years.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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About ZENN Motor Company Inc.

ZENN Motor Company, Toronto, Canada, is dedicated to enabling emission-free, energy-efficient transportation through unique, yet widely applicable, technology offerings. Driven by quality, ingenuity and a philosophy of social responsibility, the ZMC team is redefining what is possible in the pursuit of zero emission transportation.

ZENNergy technologies and solutions, to be powered by EEStor's electrical energy storage units (EESU) are expected to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers. The Company has a Technology Agreement with EEStor that provides certain exclusive and nonexclusive rights to purchase and deploy EEStor's EESU technology, which rights are detailed in the Company's AIF.

Forward-looking Statements

Certain statements in this release, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties that face the Company; such statements may contain such *words as “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, and may be based on management’s current assumptions and expectations related to all aspects of the automotive industry, consumer demand for zero emission transportation solutions and the global economy. Risks and uncertainties that may face the Company include, but are not restricted to: the EEStor energy storage technology may not be successfully commercialized at all, in a manner providing the features and benefits expected while under development, or on a timely basis or the Company may not be able to successfully incorporate this technology into its current or proposed products; the Company could fail in its efforts to develop viable ZENNergy technologies and solutions or do so on a timely basis; steps taken by the Company to protect its proprietary rights may not be adequate or third parties may infringe or misappropriate the Company's proprietary rights; the Company has a history of losses from operations and may not be able to obtain financing, if and when required, to fund future expenditures for general administrative activities, including sales and marketing and research and development, expansion, strategic acquisitions or investment opportunities or to respond to competitive pressures; competitors may develop products which offer greater benefits to consumers, have greater market appeal or are more competitively priced than those offered by the Company; the Company may be exposed to product liability claims which exceed insurance policy limits; the Company is dependent on the ability and experience of a relatively small number of key personnel; new products introduced by the Company may not be accepted in the market or to the extent projected; new laws and regulations may be enacted or existing ones may be applied or governmental action may be taken in a manner which could limit or curtail the production or sale of the Company's products; and the Company may be negatively affected by reduced consumer spending due to the uncertainty of economic and geopolitical conditions. These risks and uncertainties may cause actual results to differ from information contained in this release, when estimates and assumptions have been used to measure and report results. There can be no assurance that any statements of forward-looking information contained in this release will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral statements containing forward-looking information are based on the estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Except as required by applicable laws, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Readers are cautioned not to place undue reliance on any statements of forward looking information that speak only as of the date of this release. Additional information identifying risks and uncertainties relating to the Company’s business are contained under the heading “Risk Factors” in ZMC’s current Annual Information Form and its other filings with the various Canadian securities regulators which are available online at www.sedar.com.*

Information contained in this release relating to EEStor, Inc. or the energy storage technology being developed by EEStor has not been reviewed by EEStor and EEStor does not assume any responsibility for the accuracy or completeness of such information.

For additional information please contact:

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